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118TH CONGRESS
1ST SESSION

H. R. 6774

To amend the Internal Revenue Code of 1986 to establish special rules relating to which professional sports leagues qualify to be exempt from taxation.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2023

Mr. THOMPSON of California (for himself and Mr. BUCHANAN) introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to establish special rules relating to which professional sports leagues qualify to be exempt from taxation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SPECIAL RULES RELATING TO PROFESSIONAL SPORTS LEAGUES.

(a) IN GENERAL.—Section 501 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(s) SPECIAL RULES RELATING TO PROFESSIONAL SPORTS LEAGUES.—No organization shall be treated as described in subsection (c)(6) for any taxable year if such organization or entity—

"(1) is a professional sports league, organization, or association, a substantial activity of which is to foster national or international professional sports competitions (including by managing league business affairs, officiating or providing referees, coordinating schedules, managing sponsorships or broadcast sales, operating loan programs for competition facilities, or overseeing player conduct), and

"(2) has annual gross receipts in excess of $1,000,000,000 during any of the 5 preceding taxable years.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2022.

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